

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

WANG LUO,

[DOB: 12/24/1983]

a/k/a Frank Luo,

d/b/a Flash Technologies, LLC,

d/b/a Able Zone Trading LTD,

d/b/a Dreamchild Industry Limited,

Defendant.

No. 16-03095-01-CR-S-RK

COUNT 1-10

(Mail Fraud)

18 U.S.C. § 1341

NMT 20 Years Imprisonment

NMT \$250,000 Fine

NMT 3 Years Supervised Release

Class C Felony

COUNT 11-22

(Conducting a Financial Transaction in Excess of
\$10,000 with Criminally Derived Proceeds)

18 U.S.C. § 1957

NMT 10 Years Imprisonment

NMT \$250,000 Fine

NMT 3 Years Supervised Release

Class C Felony

COUNT 23

(Smuggling Goods in the United States)

18 U.S.C. § 545

NMT 20 Years Imprisonment

NMT \$250,000 Fine

NMT 3 Years Supervised Release

Class C Felony

FORFEITURE ALLEGATION:

18 U.S.C. § 981(a)(1)(C)

\$2300 Mandatory Special Assessment

(\$100 for each felony count)

INDICTMENT

THE GRAND JURY CHARGES THAT:

At all times material to this Indictment:

Introduction

1. Between December of 2012, and February 2, 2016, said dates being approximate, **WANG LUO**, also known as **FRANK LUO (LUO)**, the defendant, operated several companies known as Flash Technologies, Flash Technology, LLC, Flash Technologies, LLC, and FlashTech (hereinafter Flash Tech), Able Zone Trading LTD, and Dreamchild Industry Limited, to manufacture, import, and sell Chinese-made products into the United States. The defendant also used the aforementioned companies to receive the proceeds from the sale of these items. These Chinese-made products included various cellular phone components and parts (hereinafter parts).

2. Between December of 2012, and February 2, 2016, the defendant employed Sherrie Householder, (HOUSEHOLDER), to manage and operate a storefront and online distribution center in Springfield, Greene County, Missouri. The defendant, whose business headquarters, manufacturing, and distribution facilities were located in China, mailed shipments through private international commercial carriers utilizing his company, Able Zone Trading LTD. These shipments contained various parts, including but not limited to cellular phone screens, cases, and internal circuitry. The parts contained the trademarks of various companies, including but not limited to Apple, LG, Samsung, Microsoft, T-Mobile, Nokia, and Android.

3. Between December of 2012, and February 2, 2016, said dates being approximate, the defendant, through HOUSEHOLDER, sold these parts through various online stores with EBay and Amazon, as well as from the Flash Tech store located in Springfield, Greene County, Missouri.

4. The defendant then directed HOUSEHOLDER and other employees of Flash

Tech to send all monies received from the sale of the parts, minus the cost to pay employees and operate the company, to him or his wife, Li Mei Yun, via a bank wire transmission to his account in Hong Kong, China.

5. Between December of 2012, and February of 2016, said dates being approximate, the defendant caused HOUSEHOLDER or another employee with Flash Tech to authorize a wire transmission that sent currency from the Flash Technologies, LLC, bank account number XXXXXX1893 to the Dreamchild Industry Limited bank account in Hong Kong, China, which is controlled by the defendant.

The Scheme

6. The defendant initially imported the items into the United States to HOUSEHOLDER'S residence located in Nixa, Christian County, Missouri. Subsequently, a storefront was rented utilizing the name of Flash Tech and the imported items were then shipped or routed to that business address located in Springfield, Greene County, Missouri. All of the addresses the defendant caused the parts to be shipped to, via various private international commercial carriers, were located within the Western District of Missouri.

7. Between December of 2012, and February 2, 2016, said dates being approximate, the defendant sent shipments of parts to HOUSEHOLDER, or other employees with Flash Tech, from his manufacturing and distribution center in China. Each of these imported parts contained trademarks and markings that made it appear the legitimate holder of the trademark had manufactured the parts being shipped from the defendant's facilities in China to the United States.

8. In particular, the defendant caused parts, including replacement screens, weight scales, lithium batteries, and other cellular phone component parts, to be manufactured and

shipped, which bore the trademarks of such companies as Apple, Samsung, Nokia, LG, Microsoft, Verizon, T-Mobile, and others.

9. The defendant caused the parts to be fraudulently marketed as cellular phone components that had been manufactured by the legitimate trademark holder, when he knew that the parts were counterfeit and not manufactured by the legitimate trademark holder.

10. Between December of 2012, and the February 2, 2016, the defendant was responsible for the manufacture, distribution, and sale of counterfeit and fraudulently marked parts that totaled over \$35,000,000.00 in sales through various internet and in-store transactions.

11. The defendant knew and caused fraudulent and counterfeit parts to be shipped from China, to the Flash Tech store in Springfield, Missouri, and then sold to consumers located throughout the United States via the United States Postal Service and various private interstate commercial carriers.

12. Between December of 2012, through February 2, 2016, said dates between being approximate, within Christian and Greene Counties, in the Western District of Missouri, and elsewhere, the defendant, **WANG LUO**, with the intent to defraud, devised the above-described scheme and artifice to defraud and to obtain money by materially false and fraudulent pretenses, representations, and promises.

COUNTS 1-10
(Mail Fraud)
18 U.S.C. § 1341

13. The allegations set forth in paragraphs 1 through 12 are hereby incorporated in full.

14. On or about the dates set forth below in each individual count, within Christian

and Greene Counties, in the Western District of Missouri, and elsewhere, for the purpose of executing or attempting to execute the above-described scheme and artifice to defraud and deprive, the defendant, **WANG LUO**, knowingly caused to be delivered by mail or a private commercial carrier, according to the direction thereon, the following matter: cellular phones and cellular phone component parts bearing the trademarks of legitimate companies knowing the parts were not manufactured by the legitimate companies but were fraudulently labeled counterfeit component parts, the following instances are listed below, each being separate and additional Counts of this Indictment:

COUNT	DATE	ITEM
1	August 15, 2015	WANG LUO caused a package described as "Cellphone Battery" to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained batteries with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
2	September 24, 2015	WANG LUO caused a package containing replacement screens for cellular phones to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
3	September 25, 2015	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
4	October 5, 2015	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold

		as parts manufactured by a company that held the legitimate trademark or logo.
5	October 8, 2015	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
6	October 9, 2015	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
7	October 12, 2015	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
8	October 13, 2015	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
9	October 14, 2015	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
10	January 14, 2016	WANG LUO caused a package containing cellular phone component parts to be shipped from China to Springfield, Greene County, Missouri, within the United States, with a private commercial carrier that contained cellular phone

		components with counterfeit markings from an unauthorized manufacturer that were to be fraudulently sold as parts manufactured by a company that held the legitimate trademark or logo.
--	--	---

15. All in violation of Title 18, United States Code, Section 1341.

COUNTS 11-22

(Conducting a Financial Transaction in Excess of \$10,000 with Criminally Derived Proceeds)
18 U.S.C. § 1957(a)

16. The Grand Jury adopts and re-alleges the facts set forth in paragraphs 1 through 12, and in Counts 1 through 10 of this Indictment.

17. On or about the dates, and in the manner, as set forth in each of Counts 11 through 22 herein below, in Greene County, in the Western District of Missouri and elsewhere, the defendant, **WANG LUO**, did knowingly engage and attempt to engage in monetary transactions, of criminally derived property and currency of a value greater than \$10,000, such property and currency having been derived from specified unlawful activities, to wit: Mail Fraud, contrary to the provisions of Title 18, United States Code, Section 1341:

COUNT	AMOUNT	DATE	MONETARY TRANSACTION	SPECIFIED UNLAWFUL ACTIVITY
11	\$19,000	January 14, 2013	WANG LUO caused a wire transfer of \$19,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene County, Missouri, to his bank account in Hong Kong, China. that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
12	\$20,000	June 4, 2013	WANG LUO caused a wire transfer of \$20,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene	18 U.S.C. § 1341

			County, Missouri, to his bank account in Hong Kong, China. that were proceeds from the sale of counterfeit cellular phone parts	
13	\$44,000	September 10, 2013	WANG LUO caused a wire transfer of \$44,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene County, Missouri, to his bank account in Hong Kong, China. that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
14	\$200,000	March 7, 2014	WANG LUO caused a wire transfer of \$200,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene County, Missouri, to his bank account in Hong Kong, China. that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
15	\$190,000	August 21, 2014	WANG LUO caused a wire transfer of \$190,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene County, Missouri, to his bank account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
16	\$270,000	August 26, 2014	WANG LUO caused a wire transfer of \$270,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene County, Missouri, to his bank account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341

17	\$320,000	September 4, 2014	WANG LUO caused a wire transfer of \$320,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene County, Missouri, to his bank account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
18	\$600,000	February 24, 2015	WANG LUO caused a wire transfer of \$600,000 from the Flash Technologies LLC Account XXXXXX1893 with Liberty Bank, in Greene County, Missouri, to his bank account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
19	\$366,000	April 30, 2015	WANG LUO caused a wire transfer of \$366,000 from the Flash Technologies LLC Account XXXXXX1893 with Simmons Bank, in Greene County, Missouri, to his bank account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
20	\$300,000	July 7, 2015	WANG LUO caused a wire transfer of \$300,000 from the Flash Technologies LLC Account XXXXXX1893 with Simmons Bank, in Greene County, Missouri, to his bank account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341
21	\$329,000	November 3, 2015	WANG LUO caused a wire transfer of \$329,000 from the Flash Technologies LLC Account XXXXXX1893 with Simmons Bank, in Greene County, Missouri, to his bank	18 U.S.C. § 1341

			account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	
22	\$270,500	January 27, 2016	WANG LUO caused a wire transfer of \$270,000 from the Flash Technologies LLC Account XXXXXX1893 with Simmons Bank, in Greene County, Missouri, to his bank account in Hong Kong, China, that were proceeds from the sale of counterfeit cellular phone parts.	18 U.S.C. § 1341

18. All in violation of Title 18, United States Code, Section 1957(a).

COUNT 23
 (Smuggling Goods in the United States)
18 U.S.C. § 545

19. The Grand Jury adopts and re-alleges the facts set forth in paragraphs 1 through 12, and in Counts 1 through 10 of this Indictment.

20. On or about December of 2012, through February 2, 2016, in Christian and Greene Counties, within the Western District of Missouri, and elsewhere, **WANG LUO**, fraudulently and knowingly imported and brought into the United States merchandise contrary to law, to wit: cellular phones and cellular phone parts bearing spurious marks identical to and substantially indistinguishable from genuine marks that were in use and registered for use in connection with cellular phones and cellular phone parts on the principal register in the USPTO, namely, the Apple Trademark, the Samsung Trademark, the LG Trademark, the Bluetooth Trademark, the Belkin Trademark, the HTC Trademark, the Dell Trademark, the Kindle Trademark, the Motorola Trademark, or the Sony Trademark, and the use of the aforementioned counterfeit marks were likely to cause confusion, to cause mistake, and to

deceive, in violation of Title 18, United States Code, Section 2320(a), knowing that the merchandise had been imported and brought into the United States contrary to law.

FORFEITURE ALLEGATION

19. The United States Attorney re-alleges and incorporates by reference the allegations set forth in paragraphs 1 through 12 and Counts 1 through 10 in this Indictment for the purpose of alleging forfeiture to the United States pursuant to the provisions of Title 18, United States Code, Sections 981(a)(1)(C), 1341, 1343, 1956(c)(7)(A), 1961(1), and Title 28, United States Code, Section 2461(c).

20. As a result of the offenses alleged in Counts 1 through 10, the defendant, **WANG LUO**, shall forfeit all property, real and personal, constituting, or derived from, proceeds traceable to the offense, directly or indirectly, as a result of the violations of law set out in Counts 1 through 10 of this Indictment, including but not limited to the following property:

- a. a money judgment in the amount of \$35,838,477.24, in United States currency;
- b. Apple iMac Computer – S/N QP92309K8TT;
- c. Dell Optiplex 780 – S/N DLSSLN1;
- d. Dell Optiplex 760 – S/N 19HZ8K1;
- e. Dell Optiplex 760 – S/N C744PJ1;
- f. Apple iMac – S/N QP9242PM8TT;
- g. Apple iMac – S/N QP9242SQ8TT;
- h. HP Model 192304 – S/N 4C1511158V;
- i. Dell Optiplex 780 – S/N H2NPDP1;
- j. Dell Optiplex 760 – S/N 3X8LTK1;
- k. Apple iMac – S/N QP9241AABTT;
- l. Dell Optiplex 760 – S/N 9TTNPJ1;
- m. Dell Optiplex 780 – S/N 5YDQ5M1;
- n. Dell Optiplex 760 – S/N 899L3K1;
- o. Dell Optiplex 780 – S/N F4R4PM1;
- p. HP Omni – S/N 4CS23801QH;
- q. Acer Predator – S/N DTSPXAA01544306E229600;
- r. Apple iPad – S/N DLXH174XDJHF;
- s. Apple iMac – S/N QP9230QG8TT;

- t. Dell Optiplex 780 – S/N H2MQDP1;
- u. Apple iMac – S/N QP92609R259;
- v. Dell Laptop – S/N 12QX462;
- w. Dell Laptop Inspiron – No serial number;
- x. Apple iMac – S/N COZNH1J3FYOT;
- y. WD My Book hard drive – S/N WCC4N1337017;
- z. Apple iPad – S/N COZPT5PRGF84;
- aa. Apple iMac – S/N QP9220870TH ;
- bb. Apple iMac – S/N QP9241L48IT;
- cc. Apple iMac – S/N W9506KBRU;
- dd. Samsung EX hard drive – S/N E3A9JJHG30041D;
- ee. Apple Tower – S/N G8829065XYL;
- ff. Lenovo Laptop – S/N L3-A7313;
- gg. Dell Optiplex 760 – S/N 929S5L1;
- hh. Dell Optiplex 760 – S/N 1JX3PJ1;
- ii. HP Laptop – S/N 5CG316OFOH;
- jj. Dell Optiplex 760 – S/N FTCOMP11;
- kk. Apple iMac – S/N QP9241F;
- ll. Apple iMac – S/N QP9162510TF;
- mm. HP Desktop – S/N 3CR5130097;
- nn. Toshiba Laptop – S/N 1E2736830;
- oo. Apple iMac – S/N QP9230ZK8TT;
- pp. Dell Optiplex 780 – S/N HZPNDPI;
- qq. Dell Optiplex 760 – S/N F70PPJ1;
- rr. Dell Optiplex 780 – S/N DM4WLN1;
- ss. Apple iMac – S/N QP9242518TT;
- tt. Samsung Laptop – S/N HYUE91QC903828N;
- uu. Surveillance DVR – S/N TZA4BJ050W00510;
- vv. Samsung External hard drive – S/N E3A9JJHG3003F6;
- ww. Lenovo Laptop – S/N CB18590002;
- xx. Apple iMac – S/N QP92309U8TT;
- yy. Zmodo DVR – S/N ZVS000226141009N0137;
- zz. Zmodo DVD – S/N ZVS000653140804N0294;
- aaa. ASUS C 300 Notebook – S/N E8NOCX150199324;
- bbb. Acer Chromebook C720 – S/N NXSHEAA0074250569E7600;
- ccc. Acer Chromebook C720 – S/N NXSHEAA0074250570E7600;
- ddd. 3M Tape – 18,750 pieces;
- eee. Acer Components – 21 pieces;
- fff. Apple Components – 37,836 pieces;
- ggg. ASUS Components – 829 pieces;
- hhh. Belkin Components – 179 pieces;
- iii. Blackberry Components – 430 pieces;
- jjj. Bluetooth Components – 245 pieces;
- kkk. Casio Components – 11 pieces;
- lll. Dell Components – 26 pieces;
- mmm. Hauwei Components – 58 pieces;

- nnn. Kindle Components – 80 pieces;
- ooo. HTC Components – 4,081 pieces;
- ppp. LG Components – 14,408 pieces;
- qqq. Motorola Components – 2,188 pieces;
- rrr. Nexus Components – 91 pieces;
- sss. Nokia Components – 1,790 pieces;
- ttt. Otterbox – 21 pieces;
- uuu. Samsung Components – 23,455 pieces;
- vvv. Sony Components – 1,344 pieces;
- www. UL Components – 71 pieces;
- xxx. ZTE Components – 1,189 pieces;
- yyy. SanDisk – 533 pieces;
- zzz. Miscellaneous Components – 74 pieces;
- aaaa. Miscellaneous Documents – 12 boxes;
- bbbb. \$7,692.81 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX2511;
- cccc. \$2,198.40 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX2336;
- dddd. \$5,956.90 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX1907;
- eeee. \$12,090.40 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX3381;
- ffff. \$36,600.63 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX4258;
- gggg. \$34,414.66 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX3055;
- hhhh. \$537.98 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX0628;
- iiii. \$1,245.38 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX2542;
- jjjj. \$1,467.44 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX7389;
- kkkk. \$1,034.50 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX0902;
- llll. \$770.65 in cash seized from PayPal Account XXXXXXXXX
XXXXXXX0644;
- mmmm. \$171,030.37 in cash seized from Simmons Bank Account
XXXXXX1893;
- nnnn. \$43,691.05 in cash seized from Simmons Bank Account
XXXXXX1911;
- oooo. \$40.00 in cash seized from Simmons Bank Account XXXXXX7303;
- pppp. \$29,617.86 in cash seized from Simmons Bank Account
XXXXXX2585;
- qqqq. \$100,000.00 in cash seized from Central Bank of the Ozarks
XXXXXX8374:

rrrr. \$10,673.53 in cash seized from Amazon.com Customer Account XXXXXX3805; and

ssss. \$97,876.28 in cash seized from Amazon.com Customer Account XXXXXX2405.

Money Judgment and Other Property Traceable to the Offense

United States currency and all interest and proceeds traceable thereto, representing the proceeds obtained by Defendant **WANG LUO**, in that such sum in aggregate, constitutes or is derived from, proceeds traceable to the offense set forth in Counts 1 through 10 for an amount up to \$35,838,477.24.

21. If any of the property described in the above paragraph, as a result of any act or omission of the defendant,

- (A) cannot be located upon the exercise of due diligence;
- (B) has been transferred to, sold to, or deposited with a third person;
- (C) has been placed beyond the jurisdiction of the Court;
- (D) has been substantially diminished in value; and/or
- (E) has been commingled with other property that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), which is incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the property described in paragraph 18 above, or elsewhere, as being subject to forfeiture.

A TRUE BILL

/s/ Linda S. Jordan
FOREPERSON OF THE GRAND JURY

/s/ Patrick A.N. Carney
PATRICK A.N. CARNEY
Assistant United States Attorney

DATED: 08/23/2016